



STATE OF TENNESSEE

Agency Guide to Workforce Planning





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Definition

Workforce Planning is the process to manage staffing levels and skill mix needed to meet an agency's strategic mission.

Why do Workforce Planning in Tennessee?

There is significant data to support that the public and private sectors across our nation, including Tennessee state government, will continue to face challenges that threaten productivity:

- getting more done with less
- meeting diverse customer needs
- working within very constrained budgets
- staffing within a forecasted labor shortage created by baby-boomer retirements and the absence of qualified candidates to fill the jobs

Workforce Planning is a well-established process used by leaders in the public and private sector. The output of the process is:

1. The number and types of jobs needed to fulfill an agency's mission
2. Clear strategies to
 - a. Develop the needed core skills
 - b. Attract and retain the needed skills
 - c. ensure solid leadership is in place over time

Workforce Planning

Is:

- Strategic
- System decisions
- Leadership driven
- Good to Great...
 - right number of people
 - right skills/experience
 - right jobs — right time
- Mind set—culture shift

Is Not:

- Reactionary
- One-off decisions
- HR driven
- An exact science



In Workforce Planning there are

Three groups to consider simultaneously...

Future Employees

- Recruiting
- Selecting
- Becoming productive

Those who will be with you

- Retaining
- Developing
- Succession preparation
- Adding value

Those who will be leaving

- Transfer of knowledge/skills
- Replacing
- Leaving a legacy

How do you do Workforce Planning (WFP)?

The Tennessee WFP Process is the result of a benchmark study of selected states who received a *mid-level* or *strength* rating in the discipline of Workforce Planning as reported in ***Governing 2008 Grading the States Report Card***.

Georgia, Louisiana, Minnesota, Texas, Virginia, Washington and Wisconsin were studied via selected interviews, analysis of documentation and website reviews.

Who does Workforce Planning?

WFP is a strategic process that has significant impact on an agency's performance; therefore, it is the agency leaders who are ultimately accountable for Workforce Planning.

Best practices show that agency leaders identify and actively sponsor a small cross-divisional team to implement the process into the agency.

Embedding Workforce Planning into agency culture requires strong leadership and a focused implementation team committed to the process.



Workforce Planning Status Check

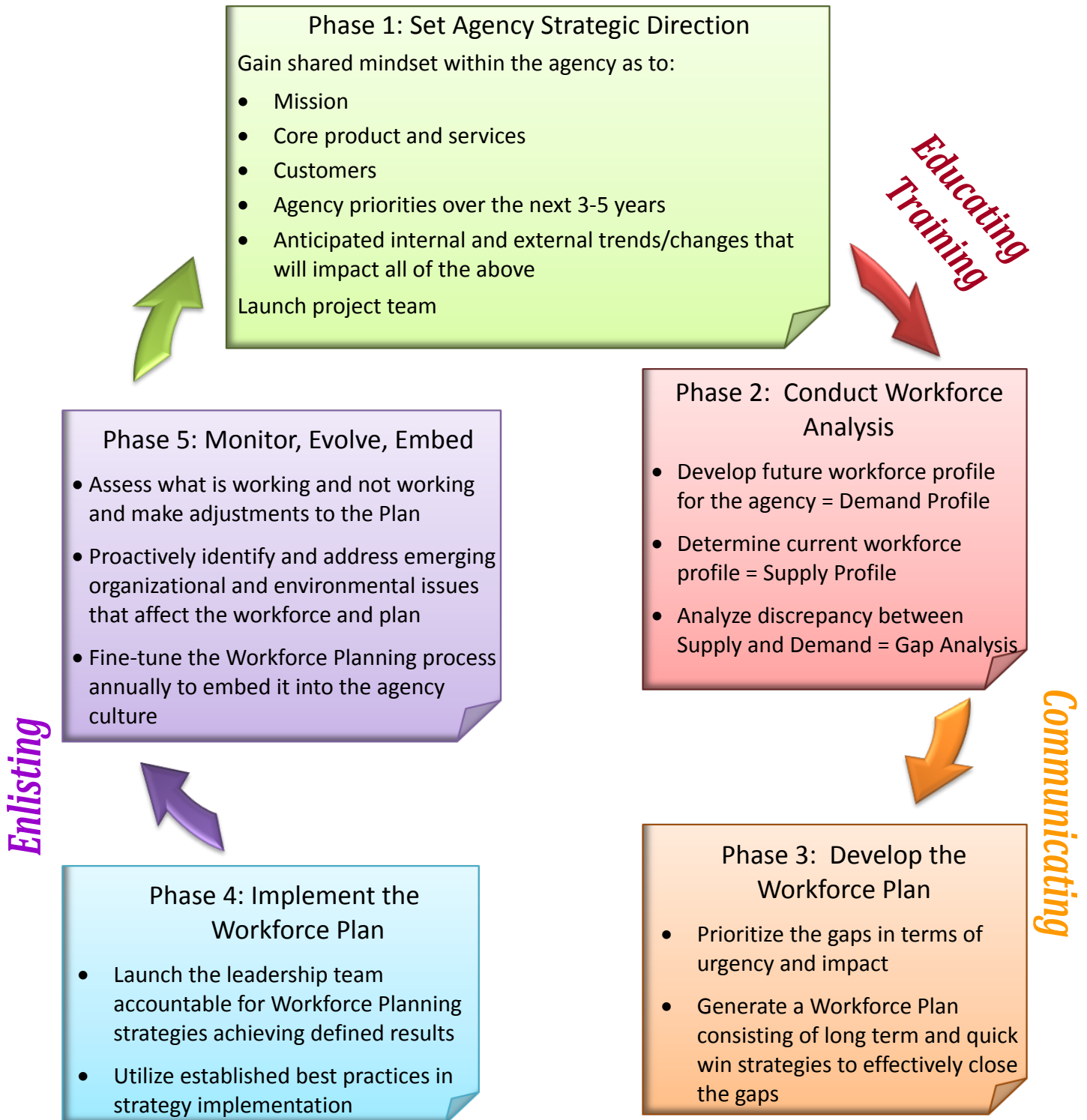
Self-Assessment

	Yes	No	Not Sure
1. We know our critical “must fill if vacant” positions.			
2. We know our aggregate current and projected turnover rates.			
3. We know why those who leave choose to do so.			
4. We know why those who stay choose to do so.			
5. Our strategic plan addresses the human resources needed to accomplish our mission			
6. Our hiring practices identify and attract the kind of applicants we need.			
7. Our managers create a work climate that fosters retaining high performers.			
8. Employees have individualized training plans designed to support the agency’s mission.			
9. We know the knowledge and skill mix associated with all key roles.			
10. We use a variety of methods to assure transfer of knowledge by experienced employees prior to retirement.			

These questions will help facilitate the discussion in your agency and determine next steps in the Workforce Planning process. For further assistance, please contact Karen Eddy, Director of Organizational Development and Workforce Planning, at 741-5546.

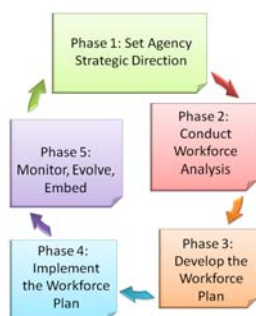


State of Tennessee's Workforce Planning Model





Phase 1: Set Agency Strategic Direction



A strategic plan charts the agency's future with broad mission-related goals and supporting strategies that drives the type of work to be accomplished.

Workforce Planning compliments an agencies strategic planning and performance based budgeting. It translates strategic thinking into concrete discussions about workforce staffing and training needs.

Phase I Key Actions

- Agency Leaders have consensus as to:
 - Mission
 - Customers
 - Core products and services
 - Key priorities, major challenges and anticipated changes that will occur over the next 3 years
- Analyze budget estimates to determine whether there will be budget issues affecting the current and/or future workforce
- Determine if technology changes will impact the way the work is performed
- Determine if current, new or anticipated legislation will affect the agency

Two key questions that must be answered by leadership before moving to Phase 2:

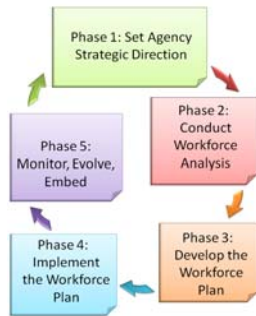
1. Will implementing the WFP process in our agency strategically help us meet our mission? If yes, then answer Question 2.
2. Who needs to lead and/or participate in the small WFP project team that will utilize our agency's strategic information to implement the WPF process? *Note: The project team should consist of individuals from different divisions who have knowledge and interest in the future of the agency. The team leader should be a motivated employee that will view the assignment as a high visibility project and a career building opportunity. Best practices indicate HR is a big member of the team.*

Phase 1 OUTPUT:

- A thorough review of the agency's existing strategic plan or direction
- Consensus among leaders to launch a small cross-divisional project team to implement the WFP process



Phase 2: Conduct Workforce Analysis



When starting Phase 2, the agency determines the size and scope of its workforce plan. The question must be answered: Does our plan cover the entire workforce or a more limited scope? For example, a retirement wave is not in itself, a workforce challenge. It becomes a challenge when it involves individuals whose work or historical knowledge has a direct impact on the agency's ability to achieve its goals. When making this decision agency leaders will want to determine if their whole agency needs a Workforce Plan or if they should focus on:

- A particular function or department
- Mission-critical roles
- Difficult roles to recruit or retain
- An agency-specific strategy or future change to ensure that qualified people are employed
- A combination of the above

Once the size/scope decision is made, the Workforce Analysis needs to generate a **Demand Profile** and a **Supply Profile**. The agency makes the decision if it wants to start with *demand* or *supply*. Research has shown that beginning with *demand* better focuses decision-makers on the issues because it highlights the future human resources needed and assists in providing a more targeted analysis when generating the Supply Profile.

Demand Profile

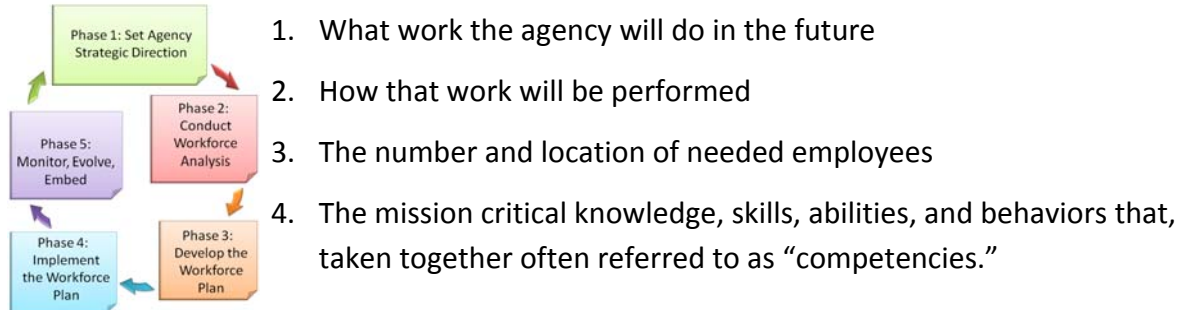
The Demand Profile shows the workforce needed to accomplish future functional requirements and carry out the agency's mission.

The following type data is analyzed to create the Demand Profile:

- **Strategic** plan (Phase 1)
- **Internal factors** affecting the workforce such as strategies, structure, policy, core processes, etc.
- Significant external **demographic** issues that are likely to influence the demands placed on the agency
- How **technology** will be used to enhance service provided, and/or identify jobs that will be affected by enhancements
- The **economic** considerations that have particular relevance to the agency and its programs and services
- The **labor trends** relevant to the agency's mission, student information available from educational institutions, issues associated with the use of non-permanent staff, including cost and supply



Through analysis and dialogue, the Demand Profile is created to show:



Agency leaders have a decision to make as to the depth of competency work they choose to do for their Workforce Plan. Best-case scenario, competencies should be defined at both the agency and individual level. At minimum, competencies can be taken from job class specifications and position descriptions, but assume it will lack a level of precision and detail.

The set of competencies provides managers and staff with a common understanding of the knowledge, skills, abilities and behaviors that are most important to the agency.

Competencies also serve as key information when making decisions about recruitment, employee development and performance management. Initial work to build a competency-based agency is labor intensive. Agency leaders will want to review the purpose of their Workforce Planning when making the decision regarding the depth of competencies.

Supply Profile

The Supply Profile has two parts. Data is analyzed to generate a **Supply Existing Profile** and a **Supply Future Profile**. The key in this step is to focus on data important to the agency’s mission with the caution not to devote too much time to this phase.

Create a **Supply Existing Profile** by gathering data from the following categories:

- Number of employees
- Educational level
- Job classification/occupation
- Status i.e. permanent, temporary, etc.
- Competencies
- Location
- Length of service
- Employee/supervisor ratio

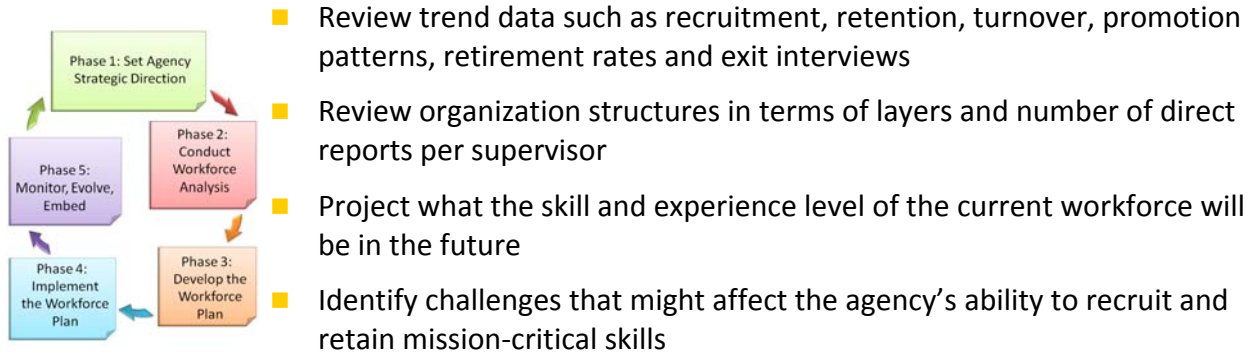
At a minimum, the Existing Profile should reflect number of employees, core knowledge and skills.



Tennessee Workforce Planning Guide

Strategic Learning Solutions

Create a **Supply Future Profile** by projecting the Existing Profile into the future, assuming only that normal course of action continues with management taking no action to address attrition or develop existing staff. Consider the following actions:



At a minimum, the Future Profile can be accomplished by taking attrition rates for the agency and/or occupational area and applying those to the Existing Profile. This shows the projected workforce supply in terms of staff numbers and competencies.

Gap Analysis

Gap analysis determines the agency's ability to fulfill the workforce demands based on the **Supply Future Profile**. The expected result is the identification of human resource gaps in the agency's ability to accomplish its mission because of:

■ Staffing levels

■ Competencies

■ Diversity

The analysis may reveal a shortage of workers or the needed competencies. It may also show a surplus of workers or competencies that will not be needed in the future or at least will not be needed to the same extent. Either result has significant implications for Phase 3.

The gap analysis should answer the following questions:

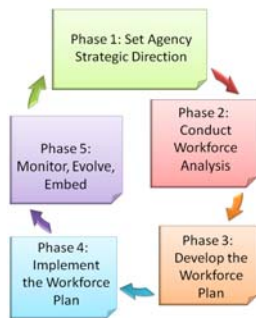
- How will the anticipated demand for the agency product and services impact the size, skills and competencies of the current workforce?
- Does the current or future labor market indicate the appropriate availability of talent needed for the agency to stay competitive?
- Does the agency's workforce currently have the anticipated needed competencies?
- What new competencies will the agency need to accomplish its mission and goals?
- What job functions or skills will no longer be required?

Phase 2 OUTPUT:

- Demand Profile
- Supply Existing Profile
- Supply Future Profile
- Gap Analysis



Phase 3: Develop the Agency Workforce Plan



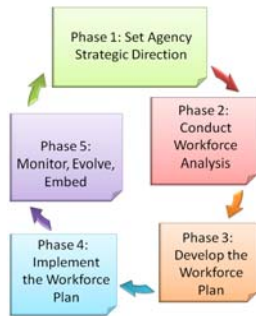
The agency's Workforce Plan is comprised of strategies (programs, policies, processes and practices) that close the gaps and assist an agency in recruiting, developing and retaining the critical staff needed to achieve its mission and objectives.

Prior to generating WFP strategies, the gaps (shortage and surplus) should be prioritized for urgency and impact and an open discussion held regarding the following factors:

- **Time:** Is there enough time to develop staff internally for anticipated vacancies or new competency needs?
- **Resources:** What is the availability of financial and human resources to provide assistance (i.e. technology, websites, templates, process development or re-engineering, training, etc)
- **Internal depth:** Do existing staff demonstrate the potential or interest to develop new competencies and assume new or modified positions or is external recruitment needed?
- **In-demand competencies:** Do the gaps indicate need for competencies that will be difficult to find in the labor market and how does that influence your strategy to recruit, develop internally or create a succession plan?
- **Organizational structure:** Does the existing structure create barriers to strategy implementation?
- **Job classifications:** Do the current job classifications and position descriptions reflect the future functional requirements and competencies needed? Does the structure of the classification series have enough flexibility to recognize competency growth and employee succession in a timely fashion?



Strategies to close gaps fall into broad categories of:



- **Recruitment/selection** strategies to find and hire recent graduates or qualified candidates from other agencies or the private sector
- **Staff development** strategies to prepare employees for different positions, titles or occupations
- **Succession planning** strategies to ensure that there are highly qualified people capable of filling mission-critical positions
- **Knowledge transfer** strategies to capture the knowledge of experienced employees before they leave the agency
- **Retention** strategies to encourage employees to stay in the agency
- **Redeployment**, career transition or separation for surplus roles
- **Position classification** actions including redefining class series, adding new job classifications, and rewriting job descriptions to better reflect future functional requirements
- **Salary actions** including equity adjustments, and promotions that may be needed

Each strategy should strive for both long term and quick win solutions and consider:

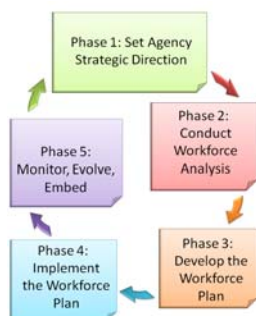
- Processes impacted, improved
- Resources to implement and maintain – people, dollar, technology
- Knowledge/skills to implement and maintain
- Timeline to execute the strategy
- Policies impacted, improved
- Structure if it is a barrier
- Culture as enabler and/or barrier

Phase 3 OUTPUT:

The agency's Workforce Plan consisting of targeted strategies that close gaps



Phase 4: Implement the Workforce Plan



At this point, the agency is implementing a single Workforce Plan, which consists of a number of strategies. If the agency has a robust strategic planning process, the Workforce Plan should be integrated into that process. If the strategic planning process is limited, there will need to be additional emphasis placed on implementation.

Apply benchmarked best practices

There are several well-established best practices that influence effective implementation of the agency's Plan:

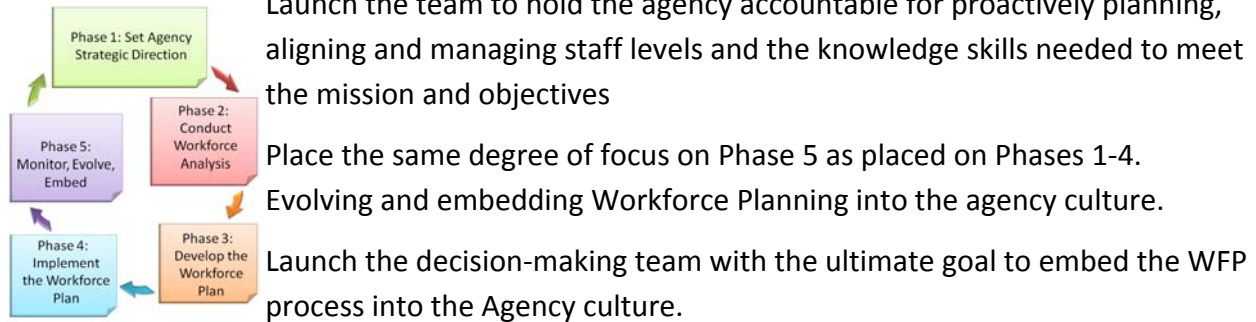
- Enlist leadership buy-in and support so they speak to the value and factor in the Plan in their operational and strategic decision-making
- Apply standard project management principles :
 - Allocate necessary resources
 - Identify a leader for implementation of the whole Workforce Plan
 - Identify a leader for each strategy within the Workforce Plan
 - Clarify roles and responsibilities for accountability throughout implementation AND maintenance
 - Establish clear timelines with milestones for key deliverables
- Prior to Phase 5, establish a decision-making team that will champion and hold each other and the agency accountable for implementation of the plan and all strategies (See Phase 5 for detail)
- Agency Leader should clearly communicate the Workforce Plan to agency staff explaining the why and how of development, how it will be implemented, how it will affect staff and how it will be monitored and maintained

Phase 4 OUTPUT:

A well thought out approach to implementation of the agency's Plan



Phase 5 Monitor, Evolve and Embed



Consider:

- Members of the team, i.e. level and function empowered to make decisions
- Leadership – consider rotating leadership among functional, leaders continuing to have HR on the team
- Meeting frequency ensure meetings are scheduled regularly and far enough in advance to allow maximum participation
- Meeting agenda that encourages dialogue, debate and decision-making

Key responsibilities of the team should include:

- Evaluating the effectiveness of implementation and breaking down identified barriers
- Reviewing metrics and generating recommendations
- Assessing which strategies are working and which are not adjusting the Plan and strategies as needed
- Addressing emerging workforce and organizational issues that impact the Plan

Phase 5 OUTPUT:

An established mechanism to monitor, evolve and embed the agency's workforce plan into the culture



Frequently Asked Questions

Is an Agency required to do Workforce Planning?

Although Workforce Planning is not legislated in the State of Tennessee, effective leaders use Workforce Planning to proactively plan, align and manage the resources needed to achieve their mission and objectives.

Isn't Workforce Planning HR's job?

Workforce Planning is a core responsibility of agency leaders because they are accountable for achieving the agency's mission. HR plays a crucial role in supporting leaders to meet the responsibility.

Can't I just complete a template that calculates what my agency needs?

The critical component of effective Workforce Planning is strategic data-driven decision-making, which is ultimately a leadership responsibility.

The process and supporting tools help leaders in their decision-making.

What is the difference between Workforce Planning and a Workforce Plan?

Workforce Planning is the strategic **process** that enables leaders to anticipate and proactively manage staffing levels and skill mix needed to meet the agency's mission. A **Workforce Plan** is the output of the process that outlines the strategies to close the gaps in resource shortages.

How do I generate a Workforce Plan?

An agency leader identifies and sponsors a small project team. Through a facilitated process, the team uses the five phase process outlined in the Guide.

How long will it take to generate a Workforce Plan for my agency?

The time it takes to actually generate a Workforce Plan is totally dependent upon an agency's needs and resources. Agency leaders will determine if focus will be on a specific role, a function, or if the entire agency needs a Plan.

My agency is unique; will the process actually meet our needs?

The process/tools are designed to guide your agency. Your agency should adapt the process in a way that makes managerial sense, factoring in agency size, structure, mission and programs.

Is there anyone who is going to help my agency?

The SLS Division will provide the process/guide/tools, facilitation, training, as well as become an active member of your implementation team.



Lessons Learned from Benchmarked States:

- It is important to focus on critical business issues facing an agency; otherwise, the project loses urgency and support.
- Voluntary use of the process is preferred over mandatory or forced compliance.
- Adapt the process to the agency's business need.
- The process takes time and is dependent on the agency's culture.
- Ensure adequate resources from the outset.
- Take small initial steps.
- The process should not be overly paperbound.
- Important to document and act on feedback throughout the process.
- Accountability and communication are important.
- Clearly define expectations and responsibilities.
- Commitment from the bottom and the top is needed if the process is to work.
- It is important to have a strong-shared responsibility between management, HR, and performance-based budgeting strategic planning staff when doing Workforce Planning.
- The process cannot be dictated or led by HR—rather it needs agency leadership and broad base of agency involvement.
- The project team responsible for generating and implementing an agency's Workforce Plan should be carefully selected to ensure an agency's needs are adequately represented.



A library of Workforce Planning tools and templates will be developed with the agencies as they implement WFP.